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# Vietnam's Second Decade: Is Change Ahead?

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An Intelligence Assessment

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EA 85-10106  
June 1985

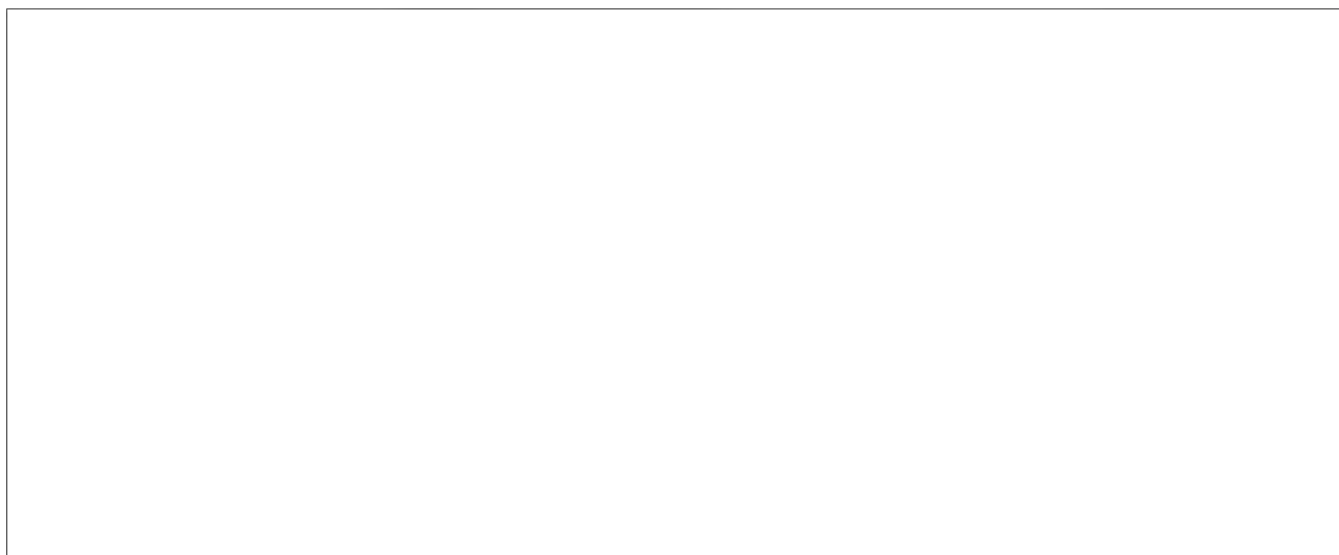
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# **Vietnam's Second Decade: Is Change Ahead?**

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**An Intelligence Assessment**

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**Vietnam's Second Decade:  
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**Key Judgments**

*Information available  
as of 10 May 1985  
was used in this report.*

As Hanoi enters its second decade of control over a unified nation, its leaders have launched a series of foreign policy and domestic economic initiatives aimed at assuring Vietnam's national security and speeding its economic development:

- A new military strategy in Cambodia is designed to weaken international support for the resistance and ensure that Hanoi's influence in Phnom Penh remains preeminent.
- A broader diplomatic offensive aims to establish diplomatic relations with the United States, improve aid and trade relations with the West, and minimize the costs of its occupation of Cambodia.

We believe these initiatives, in part, reflect the views of pragmatists in the Politburo, who hope to reduce reliance on Soviet economic aid. But they also stem from an abiding and widely held fear that the Soviet Union would sell out the Vietnamese in Cambodia for the sake of improved Sino-Soviet relations.

Although Hanoi realizes its occupation of Cambodia remains a major barrier to improving economic performance and relations with the United States, we do not expect Vietnam to sacrifice its strategic interests there for potential economic gain because Hanoi views a subordinate Cambodia as essential to its national security. On the other hand, even implied recognition in the West of its dominant position in Cambodia—signaled, for example, by a willingness of some countries to defy the US-led trade and aid embargo—would be viewed in Hanoi as a key diplomatic breakthrough.

On the domestic front, the Politburo has reaffirmed the economic reforms introduced in the late 1970s in response to a rapidly deteriorating economy. The reforms remain politically sensitive, however, and the debate over the mix of capitalist and socialist incentives in the economy is far from settled. We believe the consensus behind the reforms will probably be severely tested during a leadership transition or if the economy falters. A failure of the moderates' recent foreign policy initiatives toward the United States and more sympathetic nations such as Australia, Japan, and India, moreover, would probably strengthen the hardliners in the Politburo—virtually assuring Hanoi's continued dependence on Moscow and militating against compromise on Cambodia.

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### *Political Culture and Policy Dilemmas*

*Vietnam's political culture, when viewed from a Western perspective, produces a series of apparently contradictory and illogical policies that stem both from the Politburo's personal experiences and the depth of their ideological commitment. The enduring nature of the Vietnamese leadership and its long history of revolutionary struggle predispose the regime to look at the world through inward-looking, fundamentally conservative, and frequently xenophobic lenses. Policy outcomes, moreover, depend on the pushing and pulling of contending forces on the Politburo, as well as evolving developments in superpower relations that affect the way Hanoi defines its national security. We have identified the most important aspects of this perspective in an effort to describe the cultural context in which policy decisions are made:*

<i>Political/Cultural Trait</i>	<i>Policy Impact</i>
<i>Conservatism in taking risks.</i>	<i>In foreign policy, it means seeking a series of small successes in order to wear down the enemy.</i>
	<i>Reliance on consensus politics at home.</i>
<i>Belief in protracted struggle; all things come to those who wait.</i>	<i>Leaves very little room for serious negotiation or compromises in foreign affairs.</i>
	<i>Assimilation of the south will take a long time.</i>
<i>Willingness to subordinate economic growth to national security concerns.</i>	<i>Economic need does not translate into foreign policy leverage.</i>
	<i>Security concerns will always have an advantage over any other consideration in policy decisions.</i>
<i>Legacy of Chinese and French bureaucracies.</i>	<i>Policies are implemented slowly and frequently subverted, if only by inefficiency.</i>
	<i>Political factionalism plays a major role in decisionmaking process.</i>
<i>Commitment to Communist ideology and principles.</i>	<i>Explains reversals in successful economic policies when they surface unwanted capitalist tendencies.</i>
	<i>Determination to transform the south into a socialist economic system.</i>
	<i>Willingness to support revolutionary movements elsewhere in the Third World.</i>

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## Vietnam's Second Decade: Is Change Ahead?

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### The Leadership's Agenda

As Hanoi enters its second decade of control over a unified Vietnam, its leadership is moving on several fronts to stimulate a moribund economy and build a strong Communist state capable of defending its strategic interests. The ambitious agenda includes completing agricultural collectivization in the south, reinvigorating party leadership, ending Vietnam's international isolation, and setting the country on a course of sustained economic growth.

after a failed political initiative by Foreign Minister Nguyen Co Thach apparently gave military members in the Politburo the upper hand in formulating Cambodian policy. We believe the decision was primarily motivated by a desire in Hanoi to hasten a military victory, but the prospect of more serious security problems arising if the resistance were allowed to grow unchecked undoubtedly also played an important role in the Politburo's calculations.<sup>1</sup>

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Looming large in Hanoi's thinking is the problem of Cambodia. Vietnam's economy has paid a high price for its continued occupation of Cambodia, which has resulted in a virtual embargo of Western trade and foreign aid to Vietnam. We believe the Politburo has decided that its ability to settle the Cambodian problem—more or less on its own terms—will determine the speed with which Vietnam can pursue its domestic program and reverse the sorry state of the economy. As a result, the Politburo places early resolution of the Cambodian issue high on its agenda, in our view, and Hanoi's success during the 1984-85 dry-season offensive suggests that it intends to achieve final victory by military means.

We believe another important impetus for Hanoi's newfound determination in Cambodia is its abiding fear that the Soviet Union—Vietnam's single largest benefactor—might sell the country out for the sake of improved Sino-Soviet relations. Moscow now provides Vietnam approximately \$1 billion in economic assistance and \$800 million annually in military assistance, which substantially offsets the costs of Vietnam's occupation of Cambodia.<sup>2</sup>

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### Hanoi's Strategic Calculus

Hanoi's world view is dominated by the perceived threat from China, which to us explains its determination to maintain control over Cambodia and Laos. Hanoi has long believed that its domination of Indochina is fundamental to Vietnam's own security—a view confirmed in Vietnamese eyes by the Chinese invasion in 1979 and subsequent incursions along Vietnam's northern border, Beijing's support for Cambodian resistance groups, and a history of conflict with and subjugation by China.

<sup>2</sup> The figure for Soviet economic aid is based on a CIA estimate of what it would cost the West to replace Soviet material and technical assistance to Vietnam, including financing Hanoi's large trade deficit with Moscow. The military aid figure is based on a 1984 DIA estimate of the average dollar value of Soviet shipborne military deliveries to Vietnam between 1980 and 1983. Because it is an average number and Soviet military aid to Vietnam has been declining since a peak in 1979, we believe the value of 1984 deliveries is probably somewhat less than \$800 million.

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To accomplish the domination of Indochina, we believe Hanoi accelerated its timetable for consolidating control in Cambodia. A new strategy, which involves systematically destroying Cambodian resistance bases and blocking guerrilla infiltration into the Cambodian interior, was implemented beginning in early 1984

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[REDACTED]

The new strategy is also motivated, in our judgment, by the leadership's concern about the economic cost of its involvement in Cambodia. Although Soviet military aid substantially reduces the burden, Vietnam has nonetheless been forced to pay a high price for its Cambodian campaign in forgone economic aid from the West and the diversion of some of Vietnam's best managerial talent in administering Cambodian affairs.

[REDACTED]

#### The Development Record.

Hanoi has faced profound problems assimilating the south, particularly in trying to merge what were essentially two separate economies: the socialist, partially industrialized north and the capitalist south—the country's traditional rice bowl and site of much of its export-oriented industry. Efforts to do so have centered on collectivizing agriculture, assuming state control of the light industrial sector, developing an ideologically committed southern cadre, and restraining private capitalism in urban areas. [REDACTED]

The development record is dismal. Per capita food consumption is lower now than it was during the war—in both the north and south.<sup>4</sup> Government mismanagement of the economy, bad weather, the cutoff

[REDACTED]

of Chinese and Western aid in the late 1970s, and the mistreatment or exile of some of the most productive segments of the population brought on a decline in economic activity from which the economy is only now beginning to recover. Total output fell by 10 percent in 1979-80, and Vietnam, which had harbored hopes of becoming a major food exporter, was forced to depend on about 1.5 million metric tons of food aid from international organizations and the Soviet Union in 1979. [REDACTED]

Faced with widespread malnutrition and the prospect of long-term confrontation in Cambodia and with China, Hanoi in 1979 adopted several measures to stop two years of declining production. The collectivization drive was suspended in the south, agricultural taxes were frozen for five years, increases in agricultural output were exempted from taxes through 1984, and permission was granted for a wide range of private enterprises to operate. [REDACTED]

The principal reform was the implementation in 1981 of "the product contract system," which permitted individual peasants to contract to supply a certain quota of grain to the state, with the excess retained by the farmer or sold for profit. At the same time, the state raised agricultural procurement prices fourfold to sixfold, increased incentives for state industrial enterprises, offered bonuses for successful export performance, and devalued the currency. The government also slackened central control of state enterprises and trading companies. [REDACTED]

These policy changes, along with several successive years of favorable weather, arrested the decline of the economy and, we believe, gave Hanoi reason for optimism:

- Economic growth averaged about 6 percent during 1980-83, with improvements in both light industry and agriculture.
- Grain production increased sharply to 17.0 million tons, allowing Hanoi to virtually eliminate food imports in 1983.
- Industrial output—largely handicrafts and light industry—rose by roughly 15 percent in 1982 and 1983, and production of cement and basic consumer goods also saw moderate increases.

<sup>4</sup> Data on the Vietnamese economy come largely from [REDACTED] official Vietnamese data, diplomatic and refugee reporting, and CIA estimates. [REDACTED]

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- Total export earnings—to Soviet Bloc and hard currency areas—rose 40 percent between 1981 and 1983.
- Hanoi reduced inflation from the 80- to 90-percent annual range in 1982, to roughly 50 percent in 1983 by slowing the growth of credit. [ ]

Nevertheless, Vietnam remains very poor even by Third World standards. Per capita income of about \$200 is among the lowest in the world; [ ]

[ ] Population growth of 2.4 percent a year continues to eat up economic gains. A shortage of energy and raw materials keeps industry operating at less than 50 percent of capacity. [ ]

The country's international credit rating is so low that for nearly two years it has been hard pressed to obtain even short-term trade credits from Western countries. Hanoi's severe shortage of hard currency has also forced it to cut back imports and suspend payments on the \$1.6 billion it owes to non-Communist countries.<sup>3</sup> Last year, overall export earnings stagnated, according to official statements, and hard currency earnings probably fell because of government restrictions on foreign trading companies and an inability to meet many export contracts. In January 1985, the IMF suspended Vietnam's borrowing privileges because it had failed to make payments on debt arrearages to the Fund. [ ]

### The Political Scorecard

The frequently competing objectives of building a Communist state and attaining a healthy economy pose important theoretical and practical problems for the leadership. Leadership disputes—to the extent that we have information on them—usually center on the economic distress that has figured so prominently since reunification. We believe there is a consensus in the Politburo on the ultimate objective of establishing state control over the economy. Nevertheless, disputes over the pace of socialization and the mix of material and ideological incentives in the economy have given rise to numerous reports that there are two contending

<sup>3</sup> We estimate that Hanoi at the beginning of 1985 had less than \$15 million of hard currency in its international reserves. Hanoi probably paid for recent imports of rice by a combination of barter and funds acquired by the sale of some gold holdings last year. [ ]

factions—one doctrinaire and one pragmatic—in the leadership. Identifying factions on the Politburo is highly speculative, however, and we cannot say for certain how strong factional alignments are—or even if factions as such exist. Although the moderate faction is generally assumed to include members such as Vo Van Kiet, Le Duc Tho, and Le Duan, among others, individuals can be “pragmatic” on one issue and “hard line” on another; the factions are thus in constant flux. Consequently, we use the term largely as a convenience to refer to a set of policies rather than personalities. [ ]

In a dramatic admission of the party's failures, Politburo member Le Duc Tho, at the Fifth Party Congress in 1982, excoriated the Communist Party for its serious shortcomings in economic management and leadership—shortcomings that probably contributed to the removal of six Politburo members and roughly one-third of the Central Committee.<sup>4</sup> The Fifth Congress ratified the “new” policy line of the party that had taken shape in 1981 with the institution of the product contract system in agriculture. The use of economic incentives in agriculture and to some degree elsewhere in the economy, the encouragement of exports, the call for decentralized management, and the slower pace of collectivization in the south have since characterized the official party line. [ ]

Although we have no clear indication of the strength of the present consensus backing the economic reforms, we believe that, on balance, the leadership is agreed on a pragmatic course. [ ]

[ ] Communist Party General Secretary Le Duan personally

<sup>4</sup> Our analysis of the Fifth Party Congress and subsequent plenums is based on Vietnam's official press coverage and FBIS propaganda analysis. Changes in the Central Committee of a similar magnitude also occurred during the Fourth Party Congress in 1976 as part of the consolidation process that followed the collapse of South Vietnam. The new feature of the Fifth Party Congress was expanding the Central Committee from 133 to 152 full and alternate members. Among the new appointees were a number of cadres with technical expertise and a number of younger cadres. [ ]

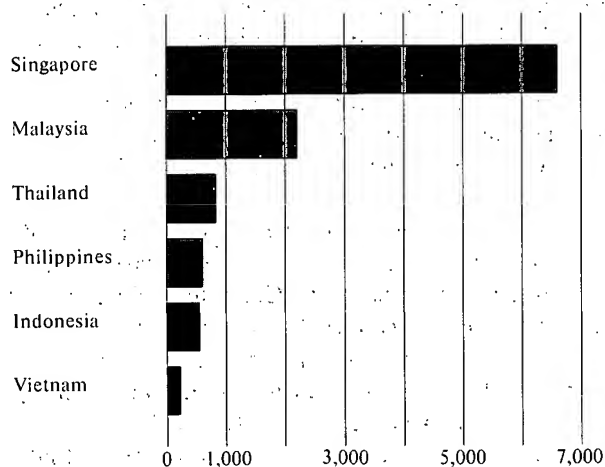
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**Vietnam: The Laggard of Southeast Asia**

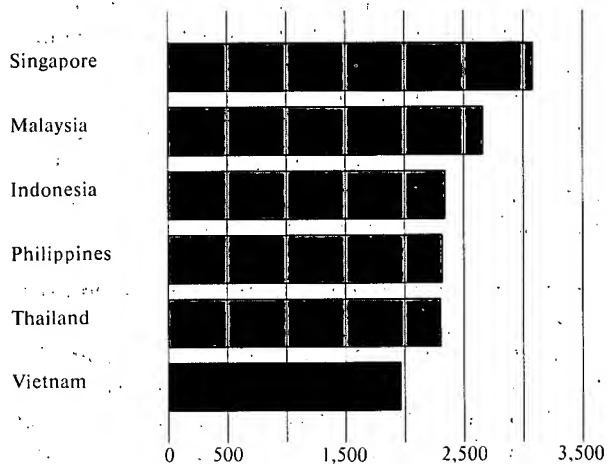
Note change in scales  
Income Per Person, 1984

US \$



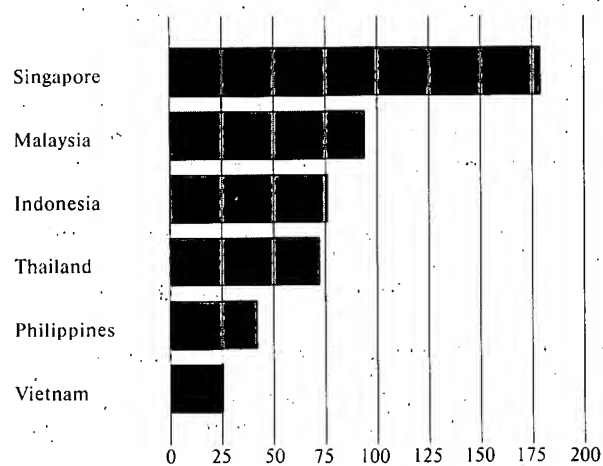
Daily Calorie Supply Per Person, 1982

Calories



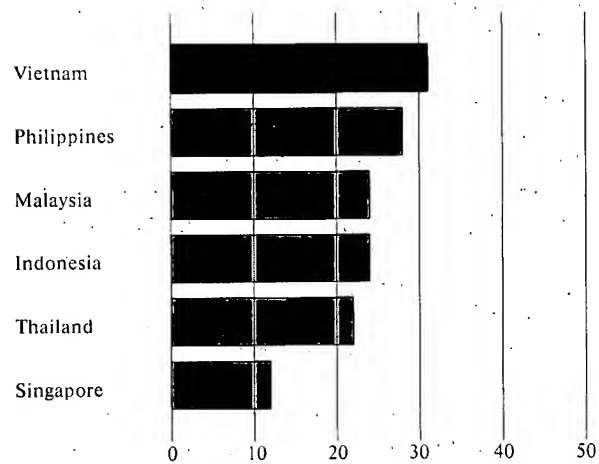
Cumulative GDP Growth, 1975-84

Percent



Cumulative Population Growth, 1975-84

Percent



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endorsed the pragmatic line in a speech at the sixth party plenum last July. Party propaganda has also been less contentious than it had been before the Fifth Party Congress. [ ]

However, there have been some shifts and partial reversals, and the continuation of party appeals for thorough implementation of the economic reform program begun in 1979 suggests that the issue is far from settled. In the eyes of the leadership, the reforms surfaced unwanted "capitalist tendencies" that spread from the south to Hanoi and Haiphong. A Central Committee plenum in December 1982 attacked "uncontrolled free markets," which led to a campaign to rein in private businesses and stamp out corruption. New taxes were imposed and umbrella organizations created to supervise foreign trading companies in Ho Chi Minh City. We believe the private sector still controls at least 60 percent of all retail trade in the south, however, suggesting that implementing tighter control there remains difficult. [ ]

Bureaucratic inertia and ineptitude, and at times resistance by party and government officials, also have hampered implementation of reform policy. [ ] [ ] cadres most directly involved with implementing economic policies frequently have no economic background. The economic reforms, moreover, do not directly benefit political or military cadres, who are on fixed wages. Our analysis of the Vietnamese press indicates that some cadres also view the reforms as threatening the socialist value system, developing a new bourgeois class, and stimulating inflation. They also fear that economic reforms will continue to bring the south's free trading spirit into northern urban centers. [ ]

Officials in the Ministry of Interior and public security cadres undoubtedly worry about renewed contacts with the West that export promotion policies foster. We believe they also may be concerned that reform policies will increase the influence of the ethnic Chinese community—which continues to dominate retail trade in the south and is viewed as a potential fifth column of China. In addition, the Vietnamese media often complain that private-sector profits are used to corrupt officials and divert state-owned raw materials, fuels, and manufactured products into illegal channels. It is no coincidence, then, that calls for

party discipline have accompanied all major policy statements on the reforms. [ ]

### Where Does Hanoi Go From Here?

*At Home.* The economic reforms implemented so far, in our view, are not sufficient to offset the fundamental problems of economic mismanagement, lack of incentive, and rapid population growth. Economic performance deteriorated in several areas in 1984, although some factors were beyond Vietnam's control. Severe flooding held foodgrain production last year to roughly the same level as 1983, according to preliminary Vietnamese statistics, while the population of 58 million grew by about 1.5 million. As a result, according to the US Embassy in Bangkok, Hanoi will probably have to import about 400,000 tons of rice this year despite its public claim of having achieved self-sufficiency in foodgrain production. In addition, hard currency exports fell sharply and Vietnam's worsening foreign exchange position limits its ability to import food, as well as other materials needed to boost agricultural and industrial production. [ ]

These trends are likely to accelerate in the absence of major additional reforms, and we think there is a good chance that even the marginal economic gains achieved since 1981 will come to a halt or be reversed by 1987. The severity of the economic decline, moreover, will probably determine whether the pragmatists on the Politburo will be able to maintain the current consensus supporting the economic reforms.<sup>7</sup> We believe their strength thus far has depended on tangible economic results—primarily higher agricultural output. A modest decline in the economy would, in our view, present the hardliners in the Politburo with a political opportunity. They would attack the measured pace of collectivization in the south, for example, if the economic benefits no longer outweighed the perceived sacrifice of ideology. With only half of the cultivated land in the south now collectivized—and

<sup>7</sup> Succession problems before the reform policies have firmly taken root could also weaken the consensus. Because the Politburo rules by collective leadership, we do not expect a succession to produce major policy shifts. Nevertheless, we believe the ascendance of a hardliner could weaken the position of the pragmatists and possibly the economic reforms themselves. [ ]

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this by a very liberal definition, according to the Vietnamese press—we believe party hardliners would argue to speed up forced collectivization to reach the official goal of total collectivization of southern peasants by the end of 1985. [ ]

By contrast, a drastic economic setback—a major food crisis, for example—would probably make it more difficult for the ideologues to gain ground because it would require pragmatic measures to reverse. In that event, we believe the pragmatists would retain the upper hand—they could point to the economic failures of the late 1970s and the relative improvement of the economy under the reform measures to support their political position. If the economic crisis were severe enough, the reformers might even advocate Vietnam's requesting an IMF balance-of-payments standby loan, which would require, among other things, a substantial adjustment in the currency's value and reduction of subsidies to government workers and cadres. Hanoi took some halting steps in this direction late last year when it raised cash salaries of government workers—rather than increase their state subsidies—and took other measures to contain the large budget deficit. The government went further in April 1985 when it devalued the currency by 90 percent against the US dollar in an effort to increase export revenues and divert black-market earnings into official channels.<sup>8</sup> [ ]

**And Abroad.** We believe that Vietnam's current economic distress is, in turn, impelling the pragmatists on the Politburo to throw their weight behind Hanoi's recent foreign policy initiatives aimed at improving Vietnam's relations with the West and reducing its economic reliance on the Soviet Union. In exchange for Moscow's security umbrella and the economic and military assistance it receives, Hanoi has mortgaged much of its future export potential to the Soviet Union, has integrated its economy more closely with those of CEMA nations, has agreed to permit a growing Soviet military presence at Cam Ranh Bay, and has accepted increased Soviet doctrinal influence in its armed forces. Relations between the two countries remain strained, however, largely because of Vietnam's fierce nationalist pride and its belief that

<sup>8</sup> The new official rate of 100 dong to the US dollar, however, is still less than half the black-market rate. [ ]

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### *The Indicators*

*Clues to the outcome of debates over economic policy will be provided during the period leading up to the next Party Congress—tentatively scheduled for the spring of 1986. The following indicators, in our view, will aid in gauging the relative strength of the two factions:*

- *Debate over the economic reforms at the provincial party congresses preceding the national Congress will measure the extent to which the reforms are still a divisive issue.*
- *Hanoi's ability to meet its 1985 economic targets, especially the ambitious figure of 19 million tons for foodgrain production. This is 1 million tons higher than last year's target and nearly 1.7 million tons higher than last year's production. Weather, an important determinant of rice production, will provide early warning of an impending economic crisis.*
- *The extent to which the recently announced nationalization of grain trade undercuts agricultural production. State grain companies will almost certainly pay farmers lower prices than private traders do, and, if official procurement of grain drops, as a result, a food crisis in urban areas could ensue.*
- *A significant move forward in Sino-Soviet relations would heighten official paranoia and strengthen the position of the hardliners on the Politburo who are deeply suspicious of foreign influence of any kind. Although it is not clear what policies would ensue, the leadership may retrench from its export promotion policy in the West.* [ ]

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the Soviets are exacting too high a price for their assistance. By contrast, we believe the hardliners are deeply suspicious of openings to the West—which they view as morally and politically decadent—and are probably somewhat more comfortable with the level of Vietnam's ties to Moscow. [ ]

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We have a number of indications that the pragmatists believe that improved economic relations with the West are a key element in reviving the economy. Some of the people devising the 1986-90 plan, for example, reportedly are advocating Western loans, aid, and technology as a supplement to Soviet economic aid—a development we believe Moscow would support to ease its financial commitment. Hanoi would also clearly like to find other sources to augment Soviet efforts in oil exploration. It claims, moreover, to be drafting more liberal foreign investment legislation to attract, in our view, Japanese business. [REDACTED]

India is a major target of the new diplomacy. Le Duan kicked off Hanoi's campaign to improve aid and trade relations with an unprecedented visit to India last fall—his first to a country outside the USSR and Eastern Europe. Since then, the two countries have exchanged delegations and discussed cooperation in the fields of oil exploration, atomic energy, and textiles. India, however, for its part, privately maintains that its relationship with Vietnam is primarily one of words with little economic content, according to the US Embassy in New Delhi. [REDACTED]

#### **Implications for the United States**

By far the most important target of the new diplomacy is the United States—for both economic and political reasons. We believe that in Hanoi's eyes the restoration of diplomatic relations with the United States before the Cambodian issue is settled would represent an implicit recognition of the Heng Samrin regime and Vietnam's de facto control over Cambodia. Hanoi is almost certainly hoping that establishment of relations would also open the door to benefits from international financial institutions such as the World Bank, and to improved trade and aid flows—if not with the United States, then at least with US allies, such as Japan and Australia, which thus far have been unwilling to violate the economic aid embargo imposed after Vietnam invaded Cambodia in 1978. In any event, we believe the pragmatists in the Politburo support foreign policy overtures to countries outside the socialist bloc to improve, among other things, the likelihood of success of their economic reform program. [REDACTED]

Hanoi has already made minor offerings on issues of concern to the United States—such as MIAs and the release of an American yachtsman held prisoner in Vietnam—that it believes will improve the climate for restoring relations. In fact, it is likely that Hanoi overestimates the impact of these gestures. Western diplomats in Hanoi have reported that the leadership exaggerated results of US Congressional visits to Vietnam last year—a view reflected in Hanoi's official press accounts of the trip. Because of Hanoi's inflated view of these gestures and exchanges, a perceived lack of response to these moves, in our view, would probably undermine the position of those on the Politburo who presently advocate a more balanced approach to foreign policy. [REDACTED]

But Vietnam is not likely to offer major concessions on Cambodia to hasten ties with the United States, in our view. The deep-seated belief in “protracted struggle” and the fact that Vietnam defines Cambodia as central to its national security makes the leadership willing to wait for the economic benefits that it believes diplomatic relations would bring. Moreover, we believe the Politburo expects Vietnam's new military strategy in Cambodia to lead to eventual settlement of the Cambodia issue on its own terms no matter how long the United States waits to establish official ties. Whatever the relative weights of these factors in Hanoi's calculations, Foreign Minister Nguyen Co Thach has frequently stated that 1987 would be a “good year for a political settlement” in Cambodia. The Politburo, in our judgment, probably expects that relations with the United States would follow two to three years after that. [REDACTED]

Even if diplomatic relations could be restored, the leadership in Hanoi would likely remain deeply suspicious of US intentions in the region. We believe the current good US relationship with China will preclude a more forthcoming Vietnamese attitude on bilateral issues for many years. For example, after spy trials in Ho Chi Minh City last December implicated China, Thailand, and, to a lesser extent, the United States in anti-Vietnamese activities, the Politburo retracted its offer to release political prisoners to the United States. [REDACTED]

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In the meantime, we believe that from Hanoi's perspective even marginal improvements in Vietnam's international position would be viewed as important diplomatic gains. Vietnam's foreign policy seeks to achieve a series of successes—much like its well-established guerrilla warfare strategy of defeating the enemy step by step. In our judgment, the leadership would consider any implicit recognition in the West that Hanoi's control in Cambodia is permanent—for example, the willingness of sympathetic nations, such as Australia, to defy the US-led trade and aid embargo—as a first indication of success that could ultimately undermine ASEAN's hardline stand. In addition, if this encouraged aid flows of say \$50 million annually, which would nearly double the amount of economic aid Vietnam now receives from the West and allow a substantial increase in hard currency imports, the leadership would judge its initiatives toward the West a success. Such an outcome would probably allow Vietnam's economy to creep along until major international aid flows were forthcoming.



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## Appendix A

### A New Cambodian Policy

We believe Hanoi's Cambodian policy changed last year from one of military containment to one of settling the issue primarily on military terms: destroying and occupying all Cambodian resistance bases on the Thai border and reducing the ability of guerrillas to infiltrate into the Cambodian interior. By mid-March 1985, with the fall of the last major resistance base at Ta Tum, the first phase of the new strategy was apparently working. [REDACTED]

Hanoi is hoping that military gains on the ground in Cambodia will also reap rewards in the diplomatic arena. [REDACTED]

attack on Sihanouk's resistance base at Ta Tum, moreover, elicited a strong military response from Thai forces—including airstrikes and artillery support—that was intended, in part, to demonstrate Thai resolve. Although individual Thai commanders have apparently responded with less vigor to Vietnamese provocations elsewhere on the border, the likelihood of confrontation with Thailand will increase as the guerrillas are forced to operate more openly from Thai territory. [REDACTED]

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[REDACTED] Cambodian Foreign Minister Hun Sen warned Thailand that it would not permit Thailand to violate Cambodian territory and retained the right of "hot pursuit." [REDACTED]

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**The Risks.** Although highly successful thus far, Hanoi's strategy is not without considerable risks. High on the list is the possibility of retaliatory action from China along Vietnam's northern border. Vietnam has apparently concluded that its own high state of preparedness in the north limits China's military options. In fact, it appears that China will not try to teach Vietnam a "second lesson" on the scale of the 1979 invasion and is limiting its response to sustained artillery attacks and limited ground incursions. [REDACTED]

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Beyond the China threat, Vietnam risks enlarging the conflict by disturbing the status quo on the Cambodian border. The ASEAN Foreign Ministers' Communique issued in February for the first time called for political and military aid to the resistance from other countries—implicitly including the United States. Vietnamese incursions into Thai territory during the

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